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AUTHOR Wolman, Jean
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ABSTRACT

This is the fifteenth in a set of 36 teacher guides to the Entrepreneurial Training modules and accompanies CE 031 058. Its purpose is to give students some idea of what it is like to own and operate a wheelchair transportation service. Following an overview are general notes on use of the module. Suggested steps for module use contain suggestions on introducing the module, a brief discussion of the nine units, responses to learning activities, suggestions for summarizing the module, and responses to the quiz. The units are Planning a Wheelchair Transportation Service; Choosing a Location; Getting Money to Start; Being in Charge; Organizing the Work; Setting Prices; Advertising and Selling; Keeping Financial Records; and Keeping Your Business Successful. Each unit contains a case study; responses to individual activities; responses to discussion questions; and a group activity. Suggested readings for the teacher and a list of goals and objectives complete the module. (CT)

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GETTING DOWN TO BUSINESS:

Wheelchair Transportation Service

Module 15

Teacher Guide

CE031059

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GETTING DOWN TO BUSINESS:

Wheelchair Transportation Service

Jean Wolman

April 1981

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OVERVIEW

The purpose of these Getting Down to Business modules is to provide high school students in vocational classes with an introduction to the career option of small business ownership and to the management skills necessary for successful operation of a small business. Developed under contract to the Office of Vocational and Adult Education, U.S. Department of Education, the materials are designed to acquaint a variety of vocational students with entrepreneurship opportunities and to help reduce the high failure rate of small businesses.

As the students become familiar with the rewards and demands of small business ownership, they will be able to make more informed decisions regarding their own interest in this career possibility. It is hoped that, as a result of using these materials, some students will enter small business ownership more prepared for its challenges. Others will decide that entrepreneurship is not well suited to their abilities and interests, and they will pursue other career paths. Both decisions are valid. The materials will encourage students to choose what is best for them.

These Getting Down to Business modules are designed to be inserted into ongoing high school vocational programs in the seven vocational disciplines--Agriculture, Distributive Education, Occupational Home Economics, Business and Office, Trades and Industry, Technical, and Health. They will serve as a brief supplement to the technical instruction of vocational courses, which prepare students well for being competent employees but which generally do not equip them with skills related to small business ownership. The modules are self-contained and require a minimum of outside training and preparation on the part of instructors. Needed outside resources include only those types of materials available to all students, such as telephone directories, newspapers, and city maps. No special texts or reference materials are required. For further optional reading by instructors, additional references are listed at the end of the Teacher Guide. An annotated Resource Guide describing especially valuable entrepreneurship-related materials is also available.

The purpose of this module is to give students some idea of what it is like to own and operate a wheelchair transportation service. Students will have an opportunity to learn about the kinds of activities and decisions a wheelchair transportation service owner is involved in every day. While the module is not a complete "how-to" manual, the individual lessons provide your class with the chance to practice many of these activities and decisions.

Today, owners of small businesses face many problems--some minor, some not so easily taken care of. These problems are reflections of the changes our society is going through. While this module cannot address itself to all of them, the discussion questions at the end of each unit are designed to give students an opportunity to explore possible solutions.

You may want to present this module after completing Module 1, Getting Down to Business: What's It all About? Module 1 is a 16-hour program covering a more in-depth approach to owning any small business. The terms that are introduced in Module 1 will be used in this module with just a restatement of the definitions. Also, the forms used will be the same, with some minor changes to fit the wheelchair transportation service specifically. Module 1 provides a firm base of business skills (in addition to some activities that, because of their general nature and space priorities, are not covered in this module).

Content Organization

Each unit of the module contains the following:

1. Divider Page--a list of what the student should be able to do at the end of that unit.

2. Case Study--an account of a business owner in the field.

3. Text--three to four pages outlining business management principles introduced in the case study but focused more on the student.

4. Learning Activities--three separate sections, including:

   a. Individual Activities--finding information given in the text or applying information in the text to new situations.

   b. Discussion Questions--considering broad issues introduced in the text: several different points of view may be justifiable.

   c. Group Activity--taking part in a more creative and action-oriented activity; some activities may focus on values clarification.

General Notes on Use of the Module

Instructional Time:	Each unit = 1 class period; total class periods	= 9
	Introduction, quiz, summary	= 1
	Total instructional time = 10 class periods	

The case study and text are central to the program's content and are based on the instructional objectives appearing in the last section of this Guide. Learning activities are also linked to these objectives. You will probably not have time, however, to introduce all the learning activities in each unit. Instead, you will want to select those that appear most related to course objectives, are most interesting to and appropriate for your students, and are best suited to your particular classroom setting. Certain learning activities may require extra classroom time and may be used as supplementary activities if desired.

Before presenting the module to the class, you should review both the Student and Teacher Guides and formulate your own personal instructional approach. Depending on the nature of your classroom setting and the students' abilities, you may want to present the case study and text by instructional means that do not rely on students' reading--for example, through a lecture/question-answer format. Case studies and certain learning activities may be presented as skits or role-playing situations.

No particular section of the module is designated as homework, but you may wish to assign certain portions of the module to be completed out of class. You may want students to read the case study and text in preparation for discussion in the next class period, or you may want them to review the material at home after the class discussion. You may also prefer that students read the material in class. Similarly, individual activities may be completed in class or for homework. Discussion questions and group activities are specially intended for classroom use, although some outside preparation by students may also be needed (for example, in the case of visiting a small business and interviewing the owner).

Methods that enhance student interest in the material and that emphasize student participation should be used as much as possible. Do not seek to cover material exhaustively, but view the course as a brief introduction to entrepreneurship skills. Assume that students will obtain more job training and business experience before launching an entrepreneurial career.

The quiz may be used as a formal evaluation of student learning or as a self-assessment tool for students. Answers to learning activities and the quiz are provided in a later section of this guide.

SUGGESTED STEPS FOR MODULE USE

Introduction (15 minutes, or integrate within first hour of Unit 1)

I. In introducing this module, you will probably want to find out what students already know about the wheelchair transportation business.

- What is a wheelchair transportation service?
- How is it different from an ambulance service?
- What skills would someone probably need to start a wheelchair transportation service?
- As of right now, how many of you would consider becoming the owner of a wheelchair transportation service?

II. Discuss small businesses briefly. Over 90% of all businesses in the United States are small businesses. In this module we will be dealing with very small businesses, meaning a self-employed owner working alone or with one to four employees. Often small businesses are owned and run by members of a family.

III. Discuss the purposes of the module:

- to increase students' awareness of small business ownership as a career option;
- to acquaint students with the skills and personal qualities wheelchair transportation service owners need to succeed;
- to acquaint students with the kind of work small business owners do in addition to using their vocational skills; and
- to expose students to the advantages and disadvantages of small business ownership.

IV. Emphasize that even if students think they lack management aptitudes, some abilities can be developed. If students "turn on" to the idea of small business ownership, they can work at acquiring abilities they don't have.

Also, students who work through this module will have gained valuable insights into how and why business decisions are made. Even if they later choose careers as employees, they will be better equipped to help the business succeed because of their understanding.

Unit 1 - Planning a Wheelchair Transportation Service (1 class period)

I. Case Study: Chuck Ng analyzes his personality and experience and decides to open a wheelchair transportation service. He learns about the business by working for another service and decides it will suit his needs well.

Text: Services, customers, and competition
Personal qualities and skills
Competing well by
- creating a special business image
- offering special services
- cooperating with Medicaid

Legal requirements

II. Responses to Individual Activities

1. Depends on individual. No right answer; the more checks, the better.

2. Depends on individual.

3. Depends on location. Check Yellow Pages.

4. Name should reflect purpose of business and also be "catchy."

5. Depends on location. Check with City Clerk and Health Department. You may want to do this as a group to avoid duplicated calls.

III. Responses to Discussion Questions

1. Chuck will probably succeed because of:
   a. careful planning,
   b. coures in business,
   c. related experience,
   d. strong motivation, and
   e. liking of elderly and handicapped.

2. Needs of elderly and handicapped to travel to and from hospitals, doctors' offices, treatment centers, etc. Remainder of response depends on location. Answer "yes" if there is an elderly and handicapped population to serve.

3. Drivers are the principal promoters of the business; they have primary contact with patients and medical personnel; your business depends on the goodwill they create in the community.

IV. Group Activity

This activity is designed to acquaint students with a real-life wheelchair transportation service owner. The principles in the text regarding the characteristics and responsibilities of wheelchair transportation owners should be reinforced by the students' personal contact with such a person.

A list of questions for the visitor is provided. The questions as listed really cover all of Units 1, 2, and 3. As such, this activity could be used at the end of Unit 3 rather than after Unit 1. In fact, this activity could be used at the very end of the module or at any time when scheduling might be more appropriate. It will probably require extra classroom time. A question-and-answer period should be provided.

Unit 2 - Choosing a Location (1 class period)

I. Case Study: Chuck decides that enough elderly and handicapped people live in Oakland to justify starting his business there. He finds a small, inexpensive office with parking in a central location near the freeway.

Text: Type of area and customers
Competition
Location and type of office

II. Responses to Individual Activities

1. • elderly and handicapped population
   • hospitals and nursing homes
   • central location
   • freeway access
   • small, inexpensive office
   • parking space for vans

2. Response depends on location. Check local Yellow Pages.

3. & 4. Responses depend on individual's experience.

III. Responses to Discussion Questions

1. Response depends on location--discussion should support the business if such things as elderly population, hospitals, nursing homes, moderate or little competition characterize the area.

2. Given the guidelines presented, Chuck did choose a good location: appropriate population, competition doing well, central office location, small, inexpensive location with parking.

3. No--customers don't see the location. Office "image" is not important. Indirectly, however, good location can contribute to good service which creates good impression. Reiterate important factors in location.

IV. Group Activity

1. This activity is designed to provide a practical exercise on locating a wheelchair transportation service.

2. Before conducting the activity, find a local map of your area.

3. Solicit from students their findings from Individual Activities 2 and 3. What hospitals and nursing homes did they find? Were services needed by the ones they called?

4. Help students locate the facilities identified on the map. Then help them draw appropriate boundaries that enclose these facilities.

5. Discuss the general area so defined. How large is it? Is it too small to support another business? Where might possible office locations exist?

6. Lead students to determine where the best location would be, stressing the need for centrality (in middle of service area) and convenience (easily accessible--for example, close to a freeway rather than in a difficult-to-reach or heavily congested location).

7. Discuss additional things to look for: small, low-cost office with parking is sufficient; need not be fancy or highly visible.

Unit 3 - Getting Money to Start (1 class period)

I. Case Study: Chuck decides how much money he needs to start his business and applies for and is granted a loan.

Text: Business description
Statement of financial need

II. Responses to Individual Activities

1. Business description should specify information on all five parts listed. Judge for clarity and completeness.

2. a. $43,900
b. $10,000
c. $33,900
d. $12,500
e. $7,850

3.

STATEMENT OF FINANCIAL NEED

Starting Expenses	
Salaries (6 mos.)	$13,000
Bldg. & Property (6 mos.)	1,700
Repairs & Renovations	
Equip. & Furniture (office)	500
Supplies (and printing)	200
Advertising	300
Other	
2 vans (with 2-way radios)	25,000
Gasoline & maintenance	1,200
Licenses, insurance, and advice	2,000
TOTAL	$43,900

Money on Hand	
Cash on Hand	$10,000
Gifts or Personal Loans	--
Investment by Others	--
TOTAL	$10,000
TOTAL STARTING EXPENSES	$43,900
TOTAL MONEY ON HAND	10,000
TOTAL LOAN MONEY NEEDED	$33,900

NOTE: Students should itemize "vans with two-way radios" and "gasoline and maintenance" along with "furniture and office equipment" under Equipment and Furniture OR list the first two under Other.

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III. Responses to Discussion Questions

1. • Basically a good description
   • Includes information on all five topics
   • Might have included more information on why he's starting with two newly purchased vans and drivers and how he's going to "beat" the competition.

2. Discussion should lean toward a "yes" response, supported by points in the case study:
   • his careful planning and self-confidence
   • willingness to invest all his savings
   • his long-standing relationship with the bank; his good credit.

   Negative points might include:
   • High starting expenses--need to justify this further
   • Already two companies in the business--need more information on how he'll do better.

3. Reasons for range may include:
   • number of vans and drivers to start
   • new vs. used equipment
   • purchase vs. lease
   • differences in back-up money allowed for (3-6 months' worth)
   • cost variances depending on location and personal choice (e.g., rent, furnishings, supplies, personal salary allowed, etc.).

IV. Group Activity

1. The purpose of this activity is to increase student awareness of the range and alternatives of starting expenses possible and of the advantages and disadvantages of each approach.

2. Introduction: Draw a large blank Statement of Financial Need on the chalkboard; guide group to determine reasonable costs, using Chuck's case as a foundation; total expenses shouldn't exceed $9,000.

3. Advantages of tight budget:
   • Lower overall risk
   • More certainty of having enough customers to support one van
   • Better chance of borrowing money
   • Fewer people to manage; thus fewer management problems

Disadvantages:

- Harder to avoid schedule conflicts with one van
- Used equipment doesn't create as good an image and may need more maintenance.
- Leased equipment gives her no assets.
- Money worries create stress.
- Monica may have to work harder, as the only driver and promoter of the business.

Unit 4 - Being in Charge (1 class period)

I. Case Study: Chuck lists the tasks that need to be done in a wheelchair transportation service and the qualities he wants his employees to have. He decides to hire one driver, besides himself, and a dispatcher/clerk.

Text: Deciding who will do each task
Picking the best person for the job
Keeping people happy

II. Responses to Individual Activities

1.

Chuck	Sarah	Cassie
B, D, F	B, D, F	A, B, C

2. 1. A & B
   2. A
   3. A & B
   4. A
   5. A
   6. B

3. The list should include three of the following:

   a. personal appearance (e.g., neatness, cleanliness)
   b. excessive talkativeness (or the opposite)
   c. compulsive habits (smoking, nervous tics)
   d. extreme nervousness
   e. dominance or self-centeredness
   f. any other reasonable response

4. C (Carm Ruiz)

5. B (Ann Cochran)

III. Responses to Discussion Questions

1. Chuck wouldn't have to wear so many hats. He'd have more time to:
   - "sell" the services,
   - train and manage his people, and
   - run the business in general.

   He'd have fewer scheduling problems also.

2. David McGrath should not be hired. Despite other positive qualities, a drunken driving arrest is too serious a problem to take a chance on. A good driving record is one of the most important requirements for a driver.

3. Chuck wanted to help people--the elderly and handicapped in particular. This followed in his hiring plans.

   Advantages:

   1. Cassie is likely to be more empathic with customers.

   2. Customers may be attracted to Medivan if they learn about Cassie.

   Disadvantages:

   Chuck must provide wheelchair access for Cassie, and might take risk of her having extra medical problems.

4. The drivers have a great deal of public contact with customers and the medical community. They are your "sales reps" and your "ambassadors" so to speak. If they make a good impression, your overall PR is good.

IV. Group Activity

The purpose of this role-playing activity is to allow students to practice interviewing and personnel management skills at an elementary level. Simple situations are the basis for the roleplaying activity.

The expected outcome of the activity is that students will have a clearer understanding of what is involved in these "being in charge" skills and of what it feels like to be the person in charge and/or the employee in possible true-to-life situations.

The activity can be done in small or large groups. Have students volunteer to role play, but make sure that everyone ultimately has a turn. Read each situation and briefly discuss with students any questions or comments that make the situation more vivid. Then have each pair role play the situation. Ask students how they felt in their roles and solicit alternative approaches from others.

Unit 5 - Organizing the Work (1 class period)

I. Case Study: Chuck needs to organize the work at Medivan. He develops a work order form, prescription form, and driver schedule sheet. He also checks his dispatcher's work and finds it satisfactory.

Text: Keeping track of the work:

- work order form
- prescription form
- patient information

Scheduling the work:

- driver schedule sheet
- general work schedule

II. Responses to Individual Activities

1. a. work order form
   b. prescription form
   c. driver schedule sheet

2.

MEDIVAN
503 South Gate Road
Oakland, Illinois
(517) 345-0700

DRIVER *Chuck* DATE *5/19* TIME *9 a.m.*

NAME *Carver Jones*

FROM *311 State St.*

TO *Madsen Clinic*

TO *311 State St.*

DISABILITY *Broken hip*

CHARGE		Mileage	Charge
	ONE WAY	*5*	
CASE NO.	RETURN TRIP	*5*	
DR. *Rowe*			
BILL TO			
	TOTAL		

3. Empty blanks on prescription form should be filled out as follows:

May 19
Sidney Allen
kidney dialysis

17

4. NOTE: Schedules should be as shown below or at least reflect students' recognition that trips to and from the same place should be given to the same driver and that trips at the same time must be given to different drivers.

Schedule 1:

Date 5/19 Name Chuck N. Van # _____

	Patient Name	Pick-Up Mileage	Drop-Off Mileage
9:00	Carver Jones		
:15			
:30			
:45			
10:00			
:15			
:30			
:45	Sidney Allen		
11:00	Regina Lee		
:15			
:30			
:45			

Schedule 2:

Date 5/19 Name Sarah Casey Van # _____

	Patient Name	Pick-Up Mileage	Drop-Off Mileage
9:00			
:15	Belva Plain		
:30			
:45			
10:00			
:15			
:30	Tom Webster		
:45			
11:00	Susan Sanchez		
:15			
:30			
:45			

5. Chuck can add to his schedule as follows: Visit the clinic at 9:15 when he has dropped off Mr. Jones, gas up his van in his free time after Mr. Lee's trip (or other free time), and see his lawyer in a free slot in the afternoon.

III. Responses to Discussion Questions

1. Because of conflicts in time resulting from simultaneous requests, Rita would have to ask some patients to reschedule their trips. Carver or Belva would have to change the time. Susan or Regina could leave the hospital earlier or later than 11. And Tom could adjust his transfer time so that Sidney could keep his regular dialysis time.

2. Points in favor:
   - generally desirable for getting tasks done
   - useful, especially for a disorganized person
   - other tasks might include billing and bookkeeping and arranging for maintenance

   Points opposed:
   - Since Cassie must staff the phone all day, can't have a rigid schedule.
   - List of goals might suffice.

3. Poorly. Principles of this unit should be reemphasized. Manager can't depend on memories and innate organization skills for jobs to get done. Problems might include forgetting a patient pickup, failing to do important tasks, having incomplete billing records, etc.

IV. Group Activity

The purpose of this activity is to give students a better idea of how varied and busy an owner of a wheelchair transportation service can be and to learn to prioritize and schedule.

Try a brainstorming approach in soliciting ideas of tasks. Write all suggested ideas down; eliminate inappropriate or unlikely ones later. Try to encourage ideas not yet mentioned in the module, e.g., reading current relevant medical transportation publications, responding to mail, developing a new form or brochure, etc.

Unit 6 - Setting Prices (1 class period)

I. Case Study: Chuck sets prices, including a base price for a one-way trip, a price per mile, and a charge for unusual hours and long waits. He charges the lower of his two competitors' rates, but knows Medicaid will not reimburse him the full amount anyway.

Text: Things to consider in pricing:

- Demand for services
- Competition
- Operating expenses
- Profit
- Medicaid payment schedule

II. Responses to Individual Activities

1. a. See 5 points listed under "Text" above.
   b. Medicaid--most important

2. Response depends on individual's experience and location.

3. c. Should charge more than Medicaid but less than competition, if possible

4. Chuck should probably increase his rates by 10% also, even though he won't get paid more by Medicaid. He'll collect more from private patients and will show Medicaid that inflation is forcing prices up

III. Responses to Discussion Questions

1. The response is not clearcut. On the one hand, Chuck probably could charge the going rate. Private patients seem willing to pay it. At the same time he is new in the business. To distinguish himself, he might still do better to undercut the competition and attract some private business away from them. He shouldn't charge too much less however--perhaps $14.50, $.90, $5.50--just to have psychological impact.

2. Vehicle operation (gas and maintenance) and vehicle insurance are both very expensive today. Costs are and will continue to increase, especially the cost of gasoline.

IV. Group Activity

The purpose of this activity is to give students an opportunity to apply their learning in an atypical context. The activity requires students to evaluate how the factors they have studied will influence Sari's price-setting decisions.

Responses and discussion should follow these lines:

1. Same list of five factors as listed in "Text" section above.

2. Order of importance may vary, but demand for services and competition should be near top, Medicaid near bottom.

3. Main difference is that Medicaid is not a consideration for Sari, while it is Chuck's major consideration.

4. Advantages for Sari:
   - Much less limiting pricing structure
   - Much more typical pricing and business strategies are possible.
   - More creative service possibilities
   - No Medicaid hassles and therefore fewer payment delays.

   Disadvantages for Sari:
   - Must depend on more limited market: people who can afford nonessential, sometimes luxury transportation. This is a serious limitation, as the industry depends on Medicaid patients in general. Choice of location and market is crucial to Sari's success.

Unit 7 - Advertising and Selling (1 class period)

I. Case Study: Chuck plans his advertising and sales approach. He plans to visit local clinics, nursing homes, and hospitals and give them a flyer, business card, and note pad.

Text: Personal visits
Printed brochures and giveaways
Referrals
Advertisements

II. Responses to Individual Activities

1. D, C, A, E, B

2. Response depends on individual's experience and location

3. Response depends on individual's experience and location.

4. a. safety feature of vans (e.g., locks)
b. comfort features of vans (e.g., stereo, air conditioning)
c. special services (e.g., recreational, personal)
d. friendly, courteous drivers
e. prompt, reliable service

III. Responses to Discussion Questions

1. Discussion should focus on the need for a personalized introduction that will set your business apart from others. Stress also the fact that more traditional modes of advertising such as newspapers and Yellow Pages do not seem to be very effective in this business. This places even more importance on personal contact.

2. Tammy's approach is not very wise if we follow the guidelines given in the text. Newspapers, particularly large city papers, are not very effective. They will not reach the appropriate customer population. In addition, special rates do not make much sense since most patients will not be paying their own way anyway.

3. Chuck's approach seems good. It follows the guidelines given, at least for starters. He might also look into local specialized publications, but basically he's on the right track.

IV. Group Activity

The purpose of this activity is to provide students an opportunity to practice the skills they have learned in the text.

Guide the group to develop a strategy that parallels Chuck's but is not identical to it. Emphasize visits and fliers or brochures; downplay newspapers and other traditional ads.

Unit 8 - Keeping Financial Records (1 class period)

I. Case Study: Chuck sets up a bookkeeping and billing system for Medivan. He uses a record book for his daily transactions and two types of billing forms.

Text: Customer billing forms for
- Medicaid patients
- private customers

Daily cash sheet

II. Responses to Individual Activities

1. a. Medicaid
   b. private
   c. month
   d. revenues (or income), expenses

2.

MEDIVAN CUSTOMER BILLING FORM

Customer: Carver Jones

Date	Dates of Service	Amount Charged	Payment Received	Balance
5/31	5/19	$40	--	$40

3.

MEDIVAN CUSTOMER BILLING FORM

Customer: Hortense Lee

Date	Dates of Service	Amount Charged	Payment Received	Balance
3/31	3/1-3/31	$145	--	$145
4/15			$145	--
4/30	4/1-4/30	$ 87	--	$ 87
5/10			$ 87	--
5/31	5/1-5/31	$110	--	$110
6/30	6/1-6/30	$ 95	--	$205

4.

DAILY CASH SHEET
for April 15

Cash Receipts		Cash Payments	
Medicaid Sales	$ 940	Salaries	$ 750
Private Customers	250	Building Expenses	
		Equipment and Furniture	
		Inventory or Supplies	
		Advertising	150
		Other (insurance)	175
TOTAL CASH RECEIPTS	$1,190	TOTAL CASH PAYMENTS	$1,075

III. Responses to Discussion Questions

1. Response should focus on fact that not much cash is transacted in this business, as in a retail business. Students' choice should be supported with reasons. Either approach is acceptable.

2. To ensure timely payments by Medicaid. Bureaucracy and computers demand following procedures "to a tee." Otherwise forms will be returned without payment. Problems could include delayed payments, negative cash flow, difficulties paying bills, need for more loan money, personal frustrations.

3. Discussion should include items such as the following:
   - invoices or customer billing forms from suppliers and services such as printers, utilities, supply sources, lawyer, accountant, insurance agent
   - purchase order forms from suppliers
   - checks and check stubs
   - income tax and other government forms
   - time cards from employees

4. Discussion should focus on the retail business' need for sales slips, sales and sales tax records, inventory sheets for keeping track of inventory, and possible credit card forms and receipts to keep track of credit sales.

IV. Group Activity

The purpose of this activity is to provide students an opportunity to analyze some billing records and reach inferential conclusions based on them.

Doris Ross's billing form shows relatively expensive trips to a shopping center and a recreational center--certainly luxury expenses. This suggests that only an affluent person could afford such nonessential services and that it is not likely that many such customers will exist for Chuck or other wheelchair businesses unless they are well located in affluent communities.

Unit 9 - Keeping Your Business Successful (1 class period)

I. Case Study: Chuck finds business and profits declining in his third year due to increased restrictions by Medicaid. He plans to increase sales by contracting with hospitals to transport psychiatric and alcoholic rehabilitation patients.

Text: Keeping track of profits:
- Profit/loss statement (one and two-year)
- Profit and expense ratios
- Improving profits

Changing your business to increase sales

II. Responses to Individual Activities

1. $10,025
2. 15%
3. 85%
4. 2nd year better by $10,940 profit; 13% higher profit ratio
5. 100%, because profits + expenses = revenues

III. Responses to Discussion Questions

1. Chuck wanted very much for Medivan to succeed. The declining profits and new policies of Medicaid suggested a disturbing trend that Chuck wanted to reverse. The $10,000 profit was disturbingly less than the profit in Year 2, and is hardly enough to live on these days. (It has to cover Chuck's salary, taxes, and any new investments in the business.)

2. Responses are many and may include the following:
   - reduced demand for services
   - increased Medicaid restrictions
   - inability of private customers to pay for transportation
   - dissatisfaction of customers with quality of service
   - increased competition

3. Despite the problems of Year 3, Chuck seems to have established a reputable and successful business. He has the qualities and skills needed to be successful and is probably well thought of in the community.

4. Handivan's approach seems a viable one. This is a true case study and has become a very successful alternative to the wheelchair service business. Main advantage in this approach: no more Medicaid hassles. Main disadvantage: brings the business far afield from the health and medical areas.

IV. Group Activity

The purpose of this activity is to give students practice in analyzing profit and loss factors in a specific business situation. In this case, they must find a solution to Chuck's declining profits and Medicaid problems by analyzing the facts presented here and in the case study.

Lead students to discuss the following:

1. Implications of the new facts:

   a. Medicaid billings won't improve.

   b. Chuck has a chance to get new customers and staff from both of his former competitors.

   c. Chuck will be able to better promote business if he has help--but can he afford it?

   d. Chuck can't afford a new van now.

2. Possible solutions:

   a. Build alternative services and attract different customers.

   b. Increase promotion efforts to get competitors' customers.

   c. Hire a part-time driver to free Chuck to do other things.

   d. Keep costs down; delay van purchase.

Summary (15-30 minutes)

If desired, the Quiz may be given prior to summarizing the module and doing wrap-up activities.

Emphasize major points of the module such as:

- Running a wheelchair transportation service is a small business opportunity for a person interested in helping people and health care, but it must be planned and located carefully for it to be successful.

- Basic business skills, previous experience working for a wheelchair transportation service, and a genuine liking of elderly people are helpful qualities for a wheelchair transportation service owner to have.

- Hiring and keeping personable and reliable drivers and dispatchers is a key part of running the business well.

- Keeping the customers--elderly and disabled patients from hospitals, nursing homes, and private homes, etc.--satisfied with your service is also vitally important.

- The needs of your customers may change over time. So may the government agencies (Medicaid) on which you depend. Knowing how to analyze the business and make necessary changes are important ways to keep the business successful

Remind students that their participation in this module was intended as an awareness activity so they could consider entrepreneurship as a career option. Their introduction to the skills required for successful small business management has been brief. They should not feel that they are now prepared to go out, obtain a loan, and begin their own business. More training and experience are necessary. You can suggest at least these ways of obtaining that experience: one way is to work in the business area in which they would eventually want to have their own venture; another is to go to school (community colleges are starting to offer AA degrees in entrepreneurship).

This is a good time to get feedback from the students as to how they would rate their experience with the module. Could they identify with the characters portrayed in the case studies? How do they feel about the learning activities?

If possible, use a final wrap-up activity to help students apply what they have learned in the module. Possible ideas include the following:

- Have students discuss or write about how they see themselves owning a wheelchair transportation service now that they know more about it. If time runs short, students could do this on their own time as a means of self-assessment.

- Use one or more of the Group Activities that were not done earlier. The first one in Unit 1 (visit to class by the owner of a wheelchair transportation service) might be particularly appropriate. Feel free to combine, expand, and adapt the activities so that students can consider a more complete picture of running this kind of service.

Quiz (30 minutes)

The Quiz may be used as an assessment instrument or as an optional study tool for students. If the Quiz is used for study purposes, duplicate and distribute the answer key to students. In this case, student achievement may be assessed by evaluating the quality of students' participation in module activities.

Quiz Answer Key

1. c

2. a

3. a. create special image
   b. offer special services
   c. cooperate with Medicaid

4. d

5. a

6. c

7. a. kind of business
   b. location
   c. customers
   d. competition
   e. plans for success

8. $19,200

9. c

10. b

11. a. provide enough training
    b. have clearly stated policies
    c. establish good personal relations

12. d

13. a

14. b

15. c

16. a

17. b

18. a

19. a. $10,000
    b. 17%
    c. 83%

20. c

21. a. Improve quality of his service
    b. Change the service (add or drop)

SUGGESTED READINGS

General Entrepreneurship References

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Jeanneau, J. A. Small business management: Instructor's manual (4 vols.). Prince Albert, Saskatchewan: Department of Manpower & Immigration, Training Research and Development Station, 1973.

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Nelson, R. E., Leach, J. A., & Scanlan, T. J. Owning and operating a small business: Strategies for teaching small business ownership and management. Urbana, IL: University of Illinois, Department of Vocational/Technical Education, Division of Business Education, 1976.

Rowe, K. L., & Hutt, R. W. Preparing for entrepreneurship. Tempe, AZ: Arizona State University, College of Business Administration, 1979.

Wheelchair Transportation Service Resources

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GOALS AND OBJECTIVES

Goal 1: To help you plan your wheelchair transportation service.

Objective 1: Describe the services, customers, and competition of a wheelchair transportation service.

Objective 2: List three personal qualities a wheelchair transportation service owner should have.

Objective 3: List three ways to help your wheelchair transportation service "stand out" from its competition.

Objective 4: List two special legal requirements for running a wheelchair transportation service.

Goal 2: To help you choose a location for your wheelchair transportation service.

Objective 1: List three things to think about in deciding where to locate your wheelchair transportation service.

Objective 2: Pick the best location for a wheelchair transportation service from three choices.

Goal 3: To help you plan how to borrow money to start your wheelchair transportation service.

Objective 1: Write a business description for your wheelchair transportion service.

Objective 2: Fill out a form showing how much money you need to borrow to start your wheelchair transportation service.

Goal 4: To help you plan how to hire employees and divide the work of your wheelchair transportation service.

Objective 1: Decide how to divide the work of your business among several employees.

Objective 2: Pick the best person for a specific job in your business.

Objective 3: List three ways to keep your people happy.

Goal 5: To help you organize the work of your wheelchair transportation service.

Objective 1: On a work order form, list what needs to be done for one of your customers.

Objective 2: Write a work schedule for yourself or an employee.

Goal 6: To help you decide how to set prices for your wheelchair transportation service.

Objective 1: Pick the best price for your services.

Goal 7: To help you learn ways to advertise and sell your wheelchair transportation service.

Objective 1: Pick one way to advertise your wheelchair transportation service.

Objective 2: Design a printed ad for your wheelchair transportation service.

Goal 8: To help you learn how to keep financial records for your wheelchair transportation service.

Objective 1: Fill out a customer billing form for services you do for a customer.

Objective 2: Fill out a daily cash sheet for money you receive and pay out in one day.

Goal 9: To help you learn how to stay successful.

Objective 1: Figure out the net profit (before taxes), profit ratio, and expense ratio for a wheelchair transportation service.

Objective 2: State one way to increase profits.

Objective 3: State one way to change your wheelchair transportation service to increase sales.

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